

Claim Listing

Claims 14-21 are pending; claims 14 and 19 are currently amended. Claims 22-33 are canceled without prejudice.

1-13. (Canceled)

14. (Currently amended) A computer implemented method for creating an investment vehicle, comprising:

creating via software stored on a computer a debt security providing a fixed income return to a purchaser for a pre-set period of time that further provides to said purchaser an equity conversion arrangement for a select underlying equity security based on future contingent events; and

creating via software stored on said computer a derivative instrument coupled to, but separate from, said debt security by providing an option to an issuer of said debt security to purchase shares of said equity security at a select price at a future date, wherein said derivative instrument may be canceled by said issuer prior to said future date and said issuer is obligated to make payments for said derivative on an installment basis, with future payment obligations of said issuer extinguished upon cancellation with no penalty to said issuer for said cancellation.

15. (Previously presented) The method of claim 14 wherein the debt security is a convertible bond.

16. (Previously presented) The method of claim 15 wherein the underlying equity security is for equity in an issuer of said convertible bond.

17. (Previously presented) The method of claim 14 wherein the future contingent event is matching a price of said underlying equity to a pre-set value.

18. (Previously presented) The method of claim 16 wherein said derivative instrument is a callspread option having a strike price equal to a conversion price of said convertible bond.

19. (Currently amended) A data processing computer system for implementing and managing investment vehicles configured to alter equity dilution on select debt instruments, said system comprising:

a. a data input and storing platform in communication with information relating to debt equity linked securities linked to equity securities, including total amount, yield, and conversion price of said debt securities;

b. a processor connected to and in communication with said input and storing platform for receiving said information and selectively creating an investment vehicle, wherein said investment vehicle favorably alters risk of equity dilution to an issuer of said debt securities by coupling a security said debt securities to a callspread option held by said issuer, said coupling comprising an option to purchase shares of said equity security at a select price at a future date, and said processor further provides pricing and hedging information for output to a system user wherein said callspread option is funded by a cancelable payment stream that may be canceled without penalty.

20. (Previously presented) The data processing system of claim 19 wherein at least some part of said payment stream is a reversible swap of coupons from said security, in exchange for a lowered, effective conversion price.

21. (Previously presented) The system of claim 19 wherein said output includes a hedging position determined from said callspread option.

22-33. (Canceled)